



City of San Diego
Budget and Finance Committee

Proposed Community Facilities District
No. 3 (Liberty Station) Special Tax
Refunding Bonds Series 2013

November 28, 2012



Background – Mello-Roos Act

- Mello-Roos Community Facilities Act of 1982 (“Mello-Roos Act”) enacted by the State to help local areas finance needed infrastructure
 - CFD’s have authority to issue bonds to finance public facilities and to levy special taxes to pay debt service on bonds
 - CFD bonds are limited obligations of district, secured by special taxes levied upon property within the district
- CFD No. 3 (Liberty Station) was formed in 2002



Background

CFD No. 3 (Liberty Station)

- The District issued two series of Special Tax Bonds
 - 2006 - \$16.0 million
 - 2008 - \$3.95 million
- The bonds funded certain public infrastructure facilities within or serving the District:
 - Street improvements
 - Regional Park improvements
- Currently \$18.1 million outstanding among both series



Background

CFD No. 3 (Liberty Station)

- The 2006 and 2008 Bonds are secured by special taxes levied upon approximately 391 parcels of property located within the District in accordance with the Rate and Method of Apportionment
- The special taxes are levied and collected annually via property tax bills



Refunding Plan – Key Elements

- Purpose: Combined Economic Refunding of the outstanding 2006 and 2008 Bonds
- Current Refunding
- Generates 15.3% Net Present Value Savings
- Lowers Existing Annual Debt Service

Issuer: Community Facilities District No. 3 (Liberty Station)

Issuance Size: Principal expected not to exceed \$18.0 million to fully refund the 2006 and 2008 Bonds

Final Maturity: Remains September 1, 2036 (23 year term)

Reserve Fund: Cash reserve held by trustee equivalent to maximum annual debt service

Interest Rate: Estimated Fixed Rate: 4.12%

Redemption: Bonds can be redeemed on March 1st



Debt Service

Debt Service on 2013 Refunding Bonds

- Based on rates as of November 2012:
 - Total Issue: \$ 17.4 million
 - Total Debt Service Savings: \$ 6.4 million
 - Average Annual Debt Service Savings: \$ 275,000 (FY2014 – FY2036)
 - Net Present Value Savings: 15.3%



Financing Schedule

Late January 2013	Resolution Authorizing Issuance and approval of legal and financing documents
February 2013	Bond Pricing, distribution of final Official Statement, Bond Closing
March 2013	Retire the outstanding 2006 and 2008 Bonds



Action for Consideration

- Forward the refunding of the Community Facilities District No. 3 (Liberty Station) Special Tax Bonds Series 2006 and Special Tax Bonds Series 2008 to City Council for consideration and approval.



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